

Message Text

CONFIDENTIAL

PAGE 01 GENEVA 08610 090435Z
ACTION EB-08

INFO OCT-01 IO-13 ISO-00 AF-10 ARA-10 EA-10 EUR-12
NEA-11 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
/169 W

-----128551 090439Z /12/70

P 081914Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 0504

C O N F I D E N T I A L GENEVA 08610

TRUE C O R R E C T E D C O P Y (TEXT--PARAS TWO, THREE, FOUR)

USMTN

PASS COMMERCE FOR INFO
PASS STR FOR INFO
STR PASS CODEL

E.O. 11652: GDS
TAGS: ETRD, MTN
SUBJECT: ISAC 22 (COMMUNICATIONS EQUIPMENT AND NON-
CONSUMER ELECTRONIC EQUIPMENT). MEETING WITH
MTN DELEGATION, JUNE 5-6

REF: GENEVA 8084

1. ISAC 22 (COMMUNICATIONS EQUIPMENT AND NONCONSUMER
ELECTRONIC EQUIPMENT) MET WITH AMB. MCDONALD AND THE MTN
DELEGATION STAFF IN GENEVA JUNE 5-6 IN SESSIONS WHICH PRO-
CEEDED GENERALLY AS DESCRIBED IN REFTEL. ISAC 22 WAS
REPRESENTED BY R. GALVIN (IPAC MEMBER) AND T. MARSHALL,
BOTH OF MOTOROLA INC., AND F. SULLIVAN OF GTE LABORATORIES,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GENEVA 08610 090435Z

INC. THE ISAC REPS STATED THAT THE TPSC-OBJECTIVES PAPER
WAS WELL DONE BUT NOTED THAT FOREIGN GOVERNMENT SUBSIDIES
SHOULD BE LABELED AS A PRIORITY OBJECTIVE FOR THEIR AREA.
ISAC IS VERY SUPPORTIVE OF MTN AND HAS FEW PROBLEMS WITH
THE OVERALL U.S. APPROACH, ALTHOUGH THEY HAVE SOME CON-
CERNS WITH RULES OF ORIGIN AND GOVERNMENT PROCUREMENT
COVERAGE.

2. TOPICS DISCUSSED INCLUDED: SUBSIDIES, RULES OF ORIGIN, GOVERNMENT PROCUREMENT, STANDARDS AND EC/JAPANESE TARIFFS. THE ISAC REPS STRONGLY BELIEVE THAT FOREIGN GOVERNMENT SUBSIDY PRACTICES AND FOREIGN CARTELS PLACE U.S. FIRMS AT A GREAT DISADVANTAGE WITHIN THEIR OWN MARKET, AND THAT THESE PRACTICES, IF CONTINUED, WILL HAVE SERIOUS ADVERSE EFFECTS ON THEIR INDUSTRIES. THE ISAC REPS SUGGESTED CONSIDERATION OF A SCHEME WHEREBY THE FOREIGN MANUFACTURER WOULD IMPUTE THE VALUE OF THE SUBSIDY ON A PRODUCT BASIS, AND THIS COST WOULD BE INCLUDED IN THE SELLING PRICE OF THE PRODUCT SO AS TO NEUTRALIZE THE TRADE EFFECT OF THE SUBSIDY. THE ISAC REPS STRESSED THEIR DIFFICULTIES WITH THE EC/EFTA RULES OF ORIGIN AS THE SINGLE MOST SERIOUS ITEM AFFECTING TRADE IN INTEGRATED CIRCUITS. THEY NOTED THAT SOME EFTA COUNTRIES HAVE RECENTLY BEGUN TO STRICTLY ENFORCE THE 3 PER CENT RULE AND IF THIS CONTINUES, U.S. EXPORTS TO EUROPE WILL DECLINE SUBSTANTIALLY. THIS COUPLED WITH THE THREATENED WITHDRAWAL OF THE EC TARIFF OFFER ON SEMICONDUCTORS WOULD POSE SERIOUS PROBLEMS FOR THE INDUSTRY. THE ISAC REPS STRESSED THAT IF LIBERALIZATION OF THE EC/EFTA RULES OF ORIGIN IS NOT FORTHCOMING IN THE MTN, MAINTENANCE OF THE EC TARIFF OFFER ON SEMICONDUCTORS IS ESSENTIAL. ON GOVERNMENT PROCUREMENT, ISAC REPS ARE CONCERNED ABOUT INCLUSION OF DOD PROCUREMENT OF ITS PRODUCTS IN THE CODE WITHOUT ADEQUATE COMPENSATION. THEY DO NOT BELIEVE ADE-

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 GENEVA 08610 090435Z

QUATE COMPENSATION FROM OUR TRADING PARTNERS IS POSSIBLE. ISAC REPS SAID THEY WOULD CHECK WITH WASHINGTON REGARDING INCLUSION OF ITS PRODUCTS IN GOVERNMENT PROCUREMENT CODE COVERAGE. WITH RESPECT TO STANDARDS, THE ISAC REPS STATED THAT SINCE THE U.S. SERVES A WORLD MARKET, IT IS HEAVILY IMPACTED BY DIFFERING STANDARDS BETWEEN COUNTRIES, ESPECIALLY IN EUROPE. EUROPEAN FIRMS ARE LESS AFFECTED SINCE THEY GENERALLY SERVE ONLY A LIMITED MARKET, USUALLY THEIR OWN COUNTRY. ON TARIFFS, THE GROUP STRESSED ITS CONCERN OVER THREATENED EC WITHDRAWALS AND RESTATED ITS GOAL OF EQUAL TREATMENT IN THE EC, JAPAN AND THE U.S., ESPECIALLY ON SEMICONDUCTORS.

3. ISAC PLANS TO PREPARE A BRIEF SUMMARY OF ITS OBJECTIVES FOR WASHINGTON AND DELEGATION USE.

4. DRAFTED BY KAMINSKI. MCDONALD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTRONIC EQUIPMENT, TRADE, MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA08610
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780245-0498
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780683/aaaacsvc.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9a34408f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 8084
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01 aug 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2442310
Secure: OPEN
Status: NATIVE
Subject: ISAC 22 (COMMUNICATIONS EQUIPMENT AND NON- CONSUMER ELECTRONIC EQUIPMENT). MEETING WITH MTN DELEGATION, JUNE 5-6
TAGS: ETRD, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbcc://SAS/SAS.dbo.SAS_Docs/9a34408f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014